

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2903

ANSWERED ON:17.12.2004

PURCHASE FROM NOMINATED CO OPERATIVE SOCIETIES

Jha Shri Raghunath

Will the Minister of FINANCE be pleased to state:

- (a) whether the country has responded to open economy, remove controls and to resort to liberalization;
- (b) if so, the reasons for restricting Government offices to purchase their requirement from only two nominated co-operative societies;
- (c) whether there is any proposal to remove restriction on the purchase of stationery and other items so that the Government offices can purchase at competitive rate from the open market; and
- (d) if so, the details thereof?

Answer

Minister of State in the Ministry of Finance (Shri S. S. Palanimanickam)

(a) to (d) With a view to promote co-operative movement, Department of Personnel & Training (DOP&T) in consultation with this Ministry had issued an Order dated 14.7.1981 which made it incumbent on all Central Government Departments, their attached and subordinate offices and other organizations financed and/or controlled by Government to make all local purchases of stationery and other items only from Kendriya Bhandar in relaxation of the procedure of inviting tenders/quotations prescribed in General Financial Rules (GFRs). These concessions were later extended to Super Bazar and NCCF in 1987 and 1994 respectively. Keeping in view the ongoing policy of liberalization of the economy and the emphasis on making Govt. organizations competitive and self-striving, the provisions of DOPT's order ibid were, reviewed in an inter-ministerial meeting wherein it was broadly decided that GFRs provisions about tendering be followed for purchase of stationery and other items. DOPT is, accordingly, required to issue the revised instructions based on the decision taken in the inter-ministerial meeting.